



# MONTANA LEGISLATIVE BRANCH

## Legislative Fiscal Division

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Legislative Fiscal Analyst  
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DATE: September 25, 2007

TO: Legislative Finance Committee

FROM: Pat Gervais, Sr. Fiscal Analyst

RE: Corrections ADP

The legislature provided the Department of Corrections (DOC) a supplemental appropriation for the 2007 biennium that was needed largely to house an average daily population (ADP) of offenders that was greater than anticipated in the 2007 biennium budget. However, the ADP did not reach the level projected by the department in its supplemental appropriation request. As a result the department reverted about \$3.5 million of the supplemental appropriation it received. Additionally, because of the methodology used to estimate future ADP levels, the lower than anticipated FY 2007 population impacts anticipated 2009 biennium population levels.

### 2007 Biennium Budget

During the 2007 biennium the DOC experienced an ADP of offenders that grew more quickly than anticipated during the 2005 legislative session raising the ADP of offenders beyond the level supported by 2007 biennium appropriations. Due to this increase in ADP and other factors, a supplemental appropriation of \$28.2 million was requested by the department and provided by the legislature. DOC projected that the ADP of offenders in all types of placements and services would reach 12,600 during fiscal year 2007, an increase of 7.5 percent.

### 2007 Biennium Reversion

While 2007 biennium expenditure levels for the department did exceed the level of appropriation provided by the 2005 Legislature, it did not reach the level projected by the department. At FYE 2007 almost \$5.0 million of general fund was reverted by the department, including about \$3.5 million of the \$28.2 million provided by the legislature as a supplemental appropriation. This reversion was due in part to an ADP of offenders for FY 2007 that was 12,446 or 1.2 percent (154 ADP) less than projected by the department. The ADP of offenders increased 6.2 percent between FY 2006 and 2007 rather than the 7.5 percent increase projected by the department.

### Impact on Future ADP Projections – 2009 Biennium

Because the department's ADP projections are based primarily on past experience and trending, the lower than projected ADP for FY 2007 impacts the projection of future offender ADP. The summary table below compares: 1) the department's January 2007 ADP estimate to its draft

August 2007 estimate<sup>1</sup>, which takes into consideration FY 2007 actual ADP instead of projected ADP; and 2) the level of ADP funded by the legislature for the 2009 biennium. This table illustrates that the draft August 2007 ADP estimate projects a lower ADP for FY 2008 and 2009 than was budgeted by the legislature (313 and 345 lower for FY 2008 and 2009, respectively). While the draft August 2007 projected ADP in total is less than the budgeted level, the large table attached illustrates that the projected ADP does exceed budgeted levels in some categories such as probation and parole caseload.

Summary of Total ADP Projections Compared to 2009 Biennium Budget			
Item	FY 2007	FY 2008	FY 2009
January, 2007 Projected	12,600	13,541	14,571
Percent Increase		7.5%	7.6%
August, 2007 Actual/Projected	12,446	13,054	13,860
Percent Increase		4.9%	6.2%
2007 Actual/2008-2009 Budgeted	12,446	13,367	14,205
Percent Increase		7.4%	6.3%
Budget Less January Projection		(174)	(366)
Budget Less August Projection		313	345

Based upon the comparison of draft August 2007 projected ADP to budgeted ADP, Legislative Fiscal Division staff estimates that if the lower level of ADP is realized, the fiscal impact could equate to a reduction in general fund costs of \$10 to \$15 million for the biennium. However, changes in the utilization and mix of placements and services would impact this estimate as may other as yet unidentified needs of the department. For example, utilization of the methamphetamine treatment beds is currently anticipated to be greater than provided in the 2009 biennium budget. Because these services tend to be more expensive than other services a similar decrease in ADP in another service does not necessarily equate to the same dollar impact on spending.

## Summary

In summary, DOC did not realize the level of ADP projected for FY 2007 and did not expend the entire supplemental appropriation provided by the legislature. \$3.5 million or slightly more than 1 percent of the \$28.2 million supplemental appropriation was reverted to the general fund. The department also reverted general fund in other appropriations, with the total general fund reversion for FY 2007 being about \$5 million.

Because projections of future ADP levels are based, in part on past population levels, the lower than anticipated FY 2007 population has resulted in a revised draft population projection that is lower in total than prior projections and the level funded for the 2009 biennium. LFD staff estimates that the potential fiscal impact if this lower level of ADP is realized may be general fund savings of \$10 to \$15 million for the biennium. Because the draft revised ADP projection results in variances between the budgeted and anticipated utilization levels of a variety of placements and services, rates vary among services, and the department may identify other needs, the likelihood of a general fund reversion for the 2009 biennium is difficult to determine.

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<sup>1</sup> Per September 25, 2007 phone conversation with Gary Hamel, Health Planning and Information Technology Division Administrator, the referenced August, 2007 projection is a draft that has not yet been finalized by the department's population management team and is considered by the department to be a very preliminary starting point for FY 2008.

Summary of Adult Population									
		Department Estimate (Jan 2007)*			Dept. Estimate Aug. 3, 2007			Budgeted**	
		Estimated	Estimated	Estimated	Actual	Estimated	Estimated	Estimated	Estimated
Component	FY2006	FY2007	FY2008	FY2009	FY2007	FY2008	FY2009	FY2008	FY2009
Secure Care - Males									
Montana State Prison - Deer Lodge	1,459	1,467	1,467	1,467	1,463	1,467	1,467	1,467	1,467
County Jails	172	130	130	130	131	130	130	130	130
Great Falls Regional Prison	151	152	152	152	147	152	152	152	152
Dawson County Regional Prison - Glendive	142	141	141	141	142	141	141	141	141
Missoula Regional Prison									
Private Prison	501	500	550	550	506	550	550	550	550
Out of State Inmates									
Unspecified Location (see note)	0	185	289	453	0	(23)	92	164	346
Male Secure Care	2,425	2,575	2,729	2,893	2,389	2,417	2,532	2,604	2,786
Growth From Previous Year	5.2%	6.2%	6.0%	6.0%	-1.5%	1.2%	4.8%	1.1%	7.0%
Average Annual Rate of Change	3.1%	3.5%	3.8%	4.1%	2.4%	2.3%	2.5%		
Community Corrections - Male									
Missoula Assessment and Sanctions Center	135	141	141	141	138	141	141	141	141
START (revocations only) - Warm Springs	35	64	64	64	65	72	72	64	64
P&P Sanctions		27	27	27	26	37	37	24	24
Meth Treatment - Lewistown		15	80	80	3	80	80	64	64
WATCH Program (DUI) Warm Springs / Glendive	123	106	106	106	125	106	106	106	106
TSCTC Boot Camp - Deer Lodge	52	60	60	60	52	60	60	60	60
Connections Corrections - Butte / Warm Springs	67	75	90	90	77	90	90	90	90
Prerelease	515	609	656	656	607	652	652	656	656
Alternatives to Secure Care, Unspecified		(27)	(74)	9		(109)	(23)	-	-
Pre-release, Unspecified	-	(28)	24	192	-	-	-	-	50
Male Community Placement	927	1,042	1,174	1,425	1,093	1,129	1,215	1,205	1,255
Growth from Previous Year	13.0%	12.5%	12.7%	21.4%	18.0%	3.3%	7.6%	15.6%	4.1%
Average Annual Rate of Change	12.9%	12.9%	12.8%	13.7%	13.6%	12.3%	11.8%		
Total Male Population	3,351	3,617	3,903	4,318	3,482	3,546	3,747	3,809	4,041
Growth from Previous Year	7.3%	7.9%	7.9%	10.6%	3.9%	1.8%	5.7%	5.3%	6.1%
Average Annual Rate of Change	5.2%	5.6%	5.9%	6.4%	5.0%	4.6%	4.8%		

Summary of Adult Population									
Component	FY2006	Department Estimate (Jan 2007)*			Dept. Estimate Aug. 3, 2007			Budgeted**	
		Estimated FY2007	Estimated FY2008	Estimated FY2009	Actual FY2007	Estimated FY2008	Estimated FY2009	Estimated FY2008	Estimated FY2009
Secure Care - Females									
Montana Women's Prison	218	194	194	194	191	174	174	194	194
County Jails	45	48	48	48	28	48	48	48	48
Out of State Inmates									
Private Prisons	-	-	-	-					
Unspecified Location	-	66	118	179	-	(47)	(11)	46	98
Female Secure Care	263	308	360	421	219	175	211	288	340
Growth from Previous Year	14.2%	17.1%	16.9%	16.9%	-16.7%	-20.1%	20.6%	-6.4%	17.9%
Average Annual Rate of Change	12.2%	12.9%	13.4%	13.8%	7.5%	3.6%	5.3%		
Community Corrections - Female									
Billings Assessment and Sanctions Center (Passages)	20	35	50	50	6	15	15	50	50
Intensive Challenge Program - MWP - Billings	15	14	20	20	18	20	20	20	20
Meth Treatment - Boulder		7	40	40	5	40	40	32	32
Passages Revocations - Billings		-	-	-	10	25	25	-	-
WATCH Program (DUI) - Glendive	23	40	40	40	20	40	40	40	40
Connections Corrections - Butte (Passages)	20	35	40	40	25	40	40	40	40
Prerelease	120	154	178	178	145	178	178	178	178
Unspecified Location	-	-	-	-	-	(10)	66	-	-
Female Community Placement	198	285	368	368	229	348	424	360	360
Growth from Previous Year	14.1%	43.8%	29.1%	0.0%	15.6%	52.0%	21.8%	26.3%	0.0%
Average Annual Rate of Change	12.5%	16.5%	18.0%	15.8%	12.9%	17.2%	17.7%		
Total Female Population	461	593	728	789	448	523	635	648	700
Growth from Previous Year	14.2%	28.6%	22.8%	8.4%	-2.9%	16.7%	21.4%	9.3%	7.9%
Average Annual Rate of Change	12.3%	14.5%	15.5%	14.7%	10.0%	10.8%	11.9%		

Summary of Adult Population									
		Department Estimate (Jan 2007)*			Dept. Estimate Aug. 3, 2007			Budgeted**	
		Estimated	Estimated	Estimated	Actual	Estimated	Estimated	Estimated	Estimated
Component	FY2006	FY2007	FY2008	FY2009	FY2007	FY2008	FY2009	FY2008	FY2009
Intensive Supervision Program	306	342	383	429	331	347	364	383	429
Growth from Previous Year	6.1%	11.8%	12.0%	12.0%	8.2%	4.8%	4.9%	12.0%	12.0%
Average Annual Rate of Change	7.9%	8.4%	8.9%	9.2%	7.9%	7.5%	7.2%		
Unspecified									
Enhanced Supervision Program - Males	4	40	40	40	64	40	40	40	40
Prerelease Transitional Living - Males	46	40	40	40	47	40	40	40	40
Enhanced Supervision Program - Females	1	20	20	20	13	20	20	20	20
Prerelease Transitional Living - Females	12	20	20	20	11	20	20	20	20
Probation & Parole	7,536	7,928	8,407	8,915	8,050	8,518	8,994	8,407	8,915
Total Probation & Parole/Enh. Supervision/Trans. Living.	7,599	8,048	8,527	9,035	8,185	8,638	9,114	8,527	9,035
Growth from Previous Year (caseload)	6.7%	5.9%	6.0%	6.0%	7.7%	5.5%	5.5%	6.0%	6.0%
Average Annual Rate of Change	4.1%	4.4%	4.6%	4.7%	4.6%	4.7%	4.8%		
Total All Categories Actual/Projected Adult ADP	11,718	12,600	13,541	14,571	12,446	13,054	13,860	13,367	14,205
Growth from Previous Year	7.1%	7.5%	7.5%	7.6%	6.2%	4.9%	6.2%	7.4%	6.3%
Average Annual Rate of Change	4.8%	5.2%	5.5%	5.7%	5.0%	5.0%	5.1%		
Difference Aug 2007 Estimate less Jan 2007 Estimate					(154)	(487)	(711)		
Difference Budget less January 2007 Estimate								(174)	(366)
Difference Budget less August 2007 Estimate								313	345
NOTE:									
Unspecified location indicates the difference between the population of offenders the department projects and the current capacity of the applicable system component. If the number shown is negative, the system has more capacity (beds) than anticipated offenders. If the number shown is positive, the system lacks capacity (beds) for the population projected.									
*Per department's January 18, 2007 revised estimate									
**Budgeted data reviewed and updated by DOC in June, 2007.									
**Budgeted data DOES NOT include anticipated impact of SB 547 related to sexual offenders.									